

**The Greater Newark HUD Tenants Coalition**  
944 Broad St 3rd Fl  
Newark, New Jersey 07102  
Phone: (973) 643-7711  
Fax: (973) 643-0099  
Email: [njttp@bellatlantic.net](mailto:njttp@bellatlantic.net)

May 15, 2000

Mr. Scott Kallivokas  
Vice President  
Real Estate Recovery, Inc.  
950 Herndon Parkway  
Herndon, VA 20170

**Re: High Spruce Apartments, 730-744 MLK Blvd., Newark, NJ**

Dear Mr. Kallivokas:

As you are aware, the Greater Newark HUD Tenants Coalition (NHTC) is the recipient of the OTAG grant for the State of New Jersey. To ensure that the rights of tenants to participate meaningfully in the Mark-to-Market process are fully protected, NHTC is monitoring the process at High Spruce Apartments.

NHTC attended the first Mark-to-Market meeting for High Spruce Apartments held on March 23, 2000. Although the meeting yielded a fair turn-out of tenants, NHTC is of the view that RER has not met its obligation to ensure meaningful tenant participation because RER has failed to provide the tenants and community representatives the access to information required by federal regulations. As you should be aware, federal regulations require the PAE to make public specific information received from the owner or management. Specifically, the PAE must make public the Owner Evaluation of Physical Condition (OPEC), or, in the alternative of an OPEC, a Comprehensive Needs Assessment (CA) and the Owner-prepared 1-year project rent analysis.<sup>1</sup> In addition to the mandatory disclosure of specific documents, the federal regulations further require the PAE to provide tenants and community representatives access to information obtained by the PAE about the project and its management when the PAE determines that such information is reasonably likely to contribute to effective participation by those parties in the restructuring process. As set forth below, RER has not provided the tenants at High Spruce Apartments access to any of the requisite Mark-to-Market information.

A short time ago, I inquired of the manager of High Spruce Apartments as to the availability of any documents from either the PAE or the owner regarding the Mark-to-Market

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<sup>1</sup> See ACCESS TO INFORMATION 24 C.F.R. 401.503.

process. I explained that under the federal regulations the documents should be available for tenant review and copying in the management office. The manager confirmed that there are no documents available in the management office regarding Mark-to-Market.

Clearly, the tenants at High Spruce and the concerned community representatives can not meaningful participate in the Mark-to-Market process without access to information. RER has failed to meet its responsibility under federal law to provide such access. The failure to provide access to information hinders and diminishes effective tenant and community participation. Therefore, NHTC requests that RER make available immediately (and notify tenants of the availability of) the following documents regarding High Spruce Apartments: the Owner Evaluation of Physical Condition (OPEC) [or in the alternative the Comprehensive Needs Assessment (CA)] and the Owner-prepared 1-year project rent analysis. In addition, RER must meet its obligation under the regulations to make public any information RER has obtained that is reasonably likely to contribute to effective tenant participation in the restructuring process.

Kindly confirm, in writing, the availability of the above documents and the location of the documents for inspection and copying.

If you have any questions with reference to the above, please contact me. Thank you in advance for your prompt attention and cooperation.

Very truly yours,

Frank Hutchins

Cc: Essex-Newark Legal Services, Cesar E. Torres, Esq.  
Ironbound Community Corporation, Nancy Zak  
OHMAR, Patrick Eckman  
Lori Borgen, Esq.